

MONTANA LEGISLATIVE HISTORY

Chapter 558 19 55

Bill H 601 S _____ Original bill & history ✓ C

H. Committee on Taxation

Hearing Date(s) Mar 22 ✓ C

_____ C

_____ C

_____ C

Date Out Mar 22 ✓ C

S. Committee on Taxation

Hearing Date(s) Apr 03 ✓ C

Apr 04 ✓ C

_____ C

_____ C

Did this bill originate in an interim committee? _____ Yes _____ No

Committee _____

Report _____

3/22	COMMITTEE REPORT—BILL PASSED AS AMENDED		
3/23	MOTION FAILED TO DO NOT PASS		
	ON 2ND READING	31	68
3/23	2ND READING PASSED AS AMENDED	64	36
3/23	FISCAL NOTE PRINTED		
3/24	MISSED TRANSMITTAL DEADLINE FOR 67TH DAY		
	DIED IN PROCESS		

HB 600 INTRODUCED BY SLITER

PROVIDE FLEXIBILITY FOR FUNDING STATE'S RECREATIONAL BOATING
SAFETY PROGRAM BY ALLOWING DEPARTMENT OF FISH, WILDLIFE,
AND PARKS TO CONTRACT WITH COUNTIES TO IMPLEMENT PARTS OF
THE PROGRAM

BY REQUEST OF THE HOUSE FISH AND GAME COMMITTEE

3/17	INTRODUCED		
3/17	FIRST READING		
3/17	REFERRED TO FISH & GAME		
3/18	FISCAL NOTE REQUESTED		
3/22	FISCAL NOTE PRINTED		
3/23	HEARING		
3/23	COMMITTEE REPORT—BILL PASSED AS AMENDED		
3/24	2ND READING PASSED	83	14
3/25	3RD READING PASSED	86	12
	TRANSMITTED TO SENATE		
3/27	FIRST READING		
3/27	REFERRED TO FISH & GAME		
3/27	HEARING		
3/28	COMMITTEE REPORT—BILL CONCURRED		
4/07	2ND READING CONCURRED	31	10
4/08	3RD READING CONCURRED	34	14
	RETURNED TO HOUSE		
4/10	SIGNED BY SPEAKER		
4/11	SIGNED BY PRESIDENT		
4/11	TRANSMITTED TO GOVERNOR		
4/14	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 476		
	EFFECTIVE DATE: 06/30/95		

HB 601 INTRODUCED BY SOMERVILLE, ET AL.

REPEAL LICENSE REQUIREMENTS FOR PUBLIC CONTRACTORS

BY REQUEST OF THE HOUSE TAXATION COMMITTEE

3/17	INTRODUCED		
3/17	FIRST READING		
3/17	REFERRED TO TAXATION		
3/18	FISCAL NOTE REQUESTED		
3/21	FISCAL NOTE RECEIVED		
3/21	FISCAL NOTE PRINTED		
3/22	HEARING		
3/22	COMMITTEE REPORT—BILL PASSED AS AMENDED		
3/24	2ND READING PASSED	91	9
3/25	3RD READING PASSED	97	2
	TRANSMITTED TO SENATE		
3/27	FIRST READING		
3/27	REFERRED TO TAXATION		
4/03	HEARING		
4/04	TABLED IN COMMITTEE		
4/07	TAKEN FROM COMMITTEE AND		
	PLACED ON 2ND READING	32	10

4/08	2ND READING CONCURRED	42	6
4/10	3RD READING CONCURRED	44	5
	RETURNED TO HOUSE		
4/11	SIGNED BY SPEAKER		
4/12	SIGNED BY PRESIDENT		
4/17	TRANSMITTED TO GOVERNOR		
4/26	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 558		
	EFFECTIVE DATE: 04/26/95		

HB 602 INTRODUCED BY KITZENBERG, ET AL.
 AUTHORIZE LOANS TO LOCAL GOVERNMENT FOR BUSINESSES
 ESTIMATED TO EMPLOY AT LEAST 50 PEOPLE

3/17	INTRODUCED		
3/17	FIRST READING		
3/17	REFERRED TO BUSINESS & LABOR		
3/18	FISCAL NOTE REQUESTED		
3/21	HEARING		
3/22	COMMITTEE REPORT—BILL PASSED AS AMENDED		
3/23	FISCAL NOTE RECEIVED		
3/23	2ND READING PASSED AS AMENDED	67	33
3/23	3RD READING PASSED	63	36
	TRANSMITTED TO SENATE		
3/24	FIRST READING		
3/24	REFERRED TO BUSINESS & INDUSTRY		
3/24	REVISED FISCAL NOTE REQUESTED		
3/25	REVISED FISCAL NOTE RECEIVED		
3/27	HEARING		
3/28	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
3/29	2ND READING CONCURRED AS AMENDED	49	1
3/30	3RD READING CONCURRED	43	7
	RETURNED TO HOUSE WITH AMENDMENTS		
4/03	REVISED FISCAL NOTE PRINTED		
4/04	2ND READING AMENDMENTS NOT CONCURRED	91	6
4/04	CONFERENCE COMMITTEE APPOINTED		
4/06	CONFERENCE COMMITTEE REPORT NO. 1		
4/08	2ND READING CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED	80	19
4/10	3RD READING CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED	79	21
	SENATE		
4/05	CONFERENCE COMMITTEE APPOINTED		
4/06	CONFERENCE COMMITTEE REPORT NO. 1		
4/07	2ND READING CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED	48	0
4/08	3RD READING CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED	48	0
4/11	SIGNED BY SPEAKER		
4/12	SIGNED BY PRESIDENT		
4/12	TRANSMITTED TO GOVERNOR		
4/14	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 477		
	EFFECTIVE DATE: 04/14/95		

INTRODUCED BY

BY REQUEST OF THE HOUSE TAXATION COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT REPEALING THE LICENSE REQUIREMENTS FOR PUBLIC CONTRACTORS; AMENDING SECTIONS 15-50-205 AND 15-50-206, MCA; REPEALING SECTIONS 37-71-101, 37-71-102, 37-71-103, 37-71-104, 37-71-105, 37-71-201, 37-71-202, 37-71-203, 37-71-204, 37-71-211, 37-71-212, 37-71-213, 37-71-301, AND 37-71-302, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-50-205, MCA, is amended to read:

"15-50-205. ~~Additional license tax~~ Tax imposed on gross receipts from public contracts. (1) ~~In addition to the fees enumerated in 37-71-204, each~~ A public contractor, unless ~~he~~ the contractor constructs or works on a federal research facility, shall pay to the department of revenue ~~an additional~~ a license fee in a sum equal to 1% of the gross receipts, as defined in 15-50-101, from public contracts during the income year ~~for in~~ which the ~~license is issued~~ public contractor receives payment.

(2) The ~~additional~~ license fee ~~shall~~ must be computed upon the basis of the entire contract for each separate contract let by any of the public bodies as specified in ~~37-71-101(3)~~ this section.

(3) (a) A "public contractor", within the meaning of this section, includes any person who submits a proposal to perform or enters into a contract for performing public construction work in the state with the federal government or state of Montana; with any board, commission, or department of the state; with any board of county commissioners, any city or town council, or any agency of any of them; or with any other public board, body, commission, or agency authorized to let or award contracts for any public work when the contract cost, value, or price of which exceeds the sum of \$5,000.

(b) The term public contractor includes subcontractors undertaking to perform work within their field of contracting and within the limits of their class of license covered by the original contract or any part of the contract when the contract cost, value, or price of which exceeds the sum of \$5,000."

"15-50-206. Withholding license fee from payments -- refunds. (1) The prime contractor shall withhold the additional 1% license fee from payments to his subcontractors and inform the department of the amount of the additional 1% license fee on prescribed forms of the amount of the additional 1% license fee in his the prime contractor's report to be allocated and transferred to the subcontractor. The notification to transfer portions of the additional 1% license fee must be filed within 30 days after each payment is made to subcontractors. If the prime contractor fails to file the required allocation and transfer report at the time required by or under the provisions of this chapter, a penalty computed at the rate of 10% of the additional 1% license fee withheld from subcontractors shall be due from the prime contractor.

(3) Any overpayment of the 1% of gross receipts, as defined in 15-50-101, withheld or paid by any contractor ~~hereunder shall~~ must be refunded by the department of revenue at the end of the income year upon written application ~~therefor.~~"

NEW SECTION. Section 4. Effective date. [This act] is effective on passage and approval.

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0601, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act repealing the license requirements for public contractors; and providing an immediate effective date.

ASSUMPTIONS:

1. The Department of Commerce estimates Public Contractor Licensing collections at \$255,000 in both FY96 and FY97.

FISCAL IMPACT:

Revenues:

	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
Public Contractor License Fees	(255,000)	(255,000)
General Fund (01)	(255,000)	(255,000)

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Dave Lewis 3-20-95
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

[Signature] 21 MARCH 1995
ROGER SOMERVILLE, PRIMARY SPONSOR DATE
Fiscal Note for HB0601, as introduced
HB601

Debbie Jursich, Supervisor of Office Operations, DOR Region 6 Property Assessment Division, said she had been actively involved in transfers of property. As proposed, the bill would grant statutory authority to question breaks in the chain of title and allow them to retain the last ownership on the property along with the new ownership. If the law is not changed to allow them to question breaks in the chain of title, property taxes could become delinquent and the county could take the property which would cause frustration for the taxpayers and place the county in a precarious position for possible lawsuits. She presented examples of recorded documents from Butte Silver Bow and Anaconda Deer Lodge counties that contain breaks in the chain of title. EXHIBIT 5.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

REP. STORY asked who would get the assessment notice when there is a break in the chain of title. Mr. Wilke said both parties would receive a copy of the notice. The DOR staff will work with the individuals in an effort to determine the current owner. Most of the problems are the result of human error.

REP. ARNOTT referred to the comment that the bill "didn't go far enough." She asked what was needed to make the law more effective. Mr. Woodgerd said they could draft amendments to make it more strict. The Department's concern was that it would put the DOR in the middle of determining the owner of the property and the Department did not want to assume that role. The bill was drafted as an alternative that says they will note the problem by putting both names on the notice to assure that everyone is aware of the problem and let them work it out.

Closing by Sponsor:

REP. HIBBARD closed.

HEARING ON HB 601

Opening Statement by Sponsor:

REP. ROGER SOMERVILLE, House District 78, Kalispell, said the intent of HB 601 is to repeal legislation passed in 1935 establishing the contractor's license program. The original program required all contractors working on publicly-funded projects to pay a fee to become licensed by the Department of Commerce. Since that time, approximately \$50 million has been collected for deposit in the general fund. There are no minimum qualifications to become a contractor and there are no enforcement or disciplinary capabilities in the program, and

there is no consumer protection. He advised that a Senate bill has been introduced, and is proceeding through the system, which establishes a program for licensure and bonding of independent contractors and will provide consumer protection. He said he would offer an amendment during executive action to coordinate this bill with other sections of the law.

Proponents' Testimony:

Jeff Miller, Administrator of Miscellaneous Tax, DOR, said the Department would take no position on this bill. He explained that the license is associated with the Public Contractor's Tax and, to make it workable, some amendments would be necessary. A summary of the amendments is contained in EXHIBIT 6.

SEN. GARY FORRESTER, Senate District 8, said the bill is long overdue and he complimented the Montana building industry for bringing the bill forward. He said he believed that if the state collected money, it should provide services, and this was a good example of the state taking money and doing nothing for it. He said the program had always been worthless and the time had come to get rid of it.

{Tape: 2; Side: A.}

Mark Lindsay, Montana Building Industry Association, spoke in support of the bill. A copy of his testimony is attached. EXHIBIT 7.

Don Bost, Lewistown, said he agreed with the other proponents and would appreciate the Committee's support.

Jim Kembel, Helena, said he agreed with the proponents. There are no benefits to the public. He encouraged the Committee to repeal the law.

Carl Schweitzer, Montana Contractors Association, provided some history of the Act. He said it was originally created to provide for licensure of contractors based on minimum qualifications. The bill was amended several years ago and all that remained was the fee. He said the Contractors Association supports the amendments offered by the DOR. The purpose of the gross receipts tax is to give Montana contractors a 1% edge in bidding in Montana because all contractors who do public work pay the tax but the Montana contractor can take a credit on their income tax return. He said it is not necessary to have both a registration act and a licensing act in the statutes and they support SB 354 which puts some teeth into regulating construction in Montana.

Steve Meloy, Bureau Chief, Department of Commerce (DOC), said the program was transferred to the DOC in 1983 although no appropriation was ever made to fund the program. He agreed that the program is worthless and he urged the Committee to support HB 601.

Chris Racicot, Montana Building Industry Association, said he would concur with the other proponents and the DOR technical amendments.

Chuck Hunter, Department of Labor and Industry (DOL), said the DOL would be the agency that would receive the contractor registration program under SB 354. The way that program is set up would be for all contractors in the state to register with the DOL and pay an \$80 fee beginning July 1, 1996. He said there will be a financial disincentive for contractors to register prior to July 1, 1996 and the Department sees a need for education. To avoid a huge rush of business prior to July 1, 1996, and to avoid a large non-compliance program, they will be asking for an appropriation under HB 2 for start-up funds for the program. If HB 601 does not pass, they would propose that the license fees for the next fiscal year be transferred to the DOL. That would give them the funds they need for education and start-up costs. He asked the Committee to consider amendment of the bill to transfer the funds to the DOL.

REP. JIM ELLIOTT, House District 72, Trout Creek, rose in support of the bill because he had never heard a bill where so many proponents called the act "worthless."

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

None.

Closing by Sponsor:

REP. SOMERVILLE closed.

EXECUTIVE ACTION ON HB 590

Motion:

REP. FUCHS MOVED THAT HB 590 DO PASS.

Discussion:

REP. FUCHS spoke to his motion. He said everyone recognizes that the tax structure/balance in Montana needs to be examined. It is the Legislature's responsibility to continue to look at ways to balance taxation and, at the same time, bring the public into the discussion so they understand what has happened over the last ten years in relation to taxes in Montana.

CHAIRMAN HIBBARD asked Rep. Fuchs what his expectation of the results of the bill might be. REP. FUCHS said bringing the

Motion:

REP. RANEY MOVED TO AMEND SB 138.

Discussion:

REP. RANEY provided an explanation of what the amendment would accomplish. EXHIBITS 9 and 10. On land between 20 and 160 acres which does not qualify as agricultural, the land beneath the residence would be valued at market value. He said agricultural land should be taxed as such and non-agricultural land should not.

CHAIRMAN HIBBARD said he agreed and would support the amendment.

REP. ELLIOTT objected to the amendment based on the number of parcels of land, 21,800, assessed as non-qualified ag land. EXHIBIT 11.

Vote:

On a voice vote, the Raney amendment was adopted, 19 - 1.

Vote:

On a voice vote, SB 138 as amended was concurred in, 19 - 1.

{Tape: 3; Side: A; Comments: Executive Action on HB 598 occurred while the tape was being changed and was not recorded.}

EXECUTIVE ACTION ON HB 598

Motion:

REP. HANSON MOVED THAT HB 598 DO PASS.

Discussion:

None.

Vote:

On a voice vote, HB 598 passed unanimously, 20 - 0.

EXECUTIVE ACTION ON HB 601

Motion:

REP. HANSON MOVED THAT HB 601 DO PASS.

Discussion:

CHAIRMAN HIBBARD said there were amendments to the bill. EXHIBIT 12.

Motion/Vote :

REP. HANSON MOVED THE AMENDMENTS BE ADOPTED. On a voice vote, the motion passed, 20-0.

Motion\Vote:

REP. HANSON MOVED THAT HB 601, AS AMENDED DO PASS. On a voice vote, the motion passed unanimously, 20 - 0.

EXECUTIVE ACTION ON HB 582

Motion:

REP. JORE MOVED THAT HB 582 AS AMENDED DO PASS.

Discussion:

REP. JORE appealed to the Committee to be honest enough to evaluate the bill in the sense of what is conducive to good education in Montana. He said he sensed a concern in the testimony of the opponents that there was a misconception that we have had the same type of educational system since the country was founded and that is not true. He said that is why he had questioned Mr. Feaver regarding his statement that the bill presents a "frontal assault on our sense of community." He said he hears quite often from the educational system that parents aren't involved and he would agree with that. However, the bill is an instance where parents can be given control and the system opposes it adamantly. A serious question that must be asked is whether it is conducive to education to have a monopolistic system that is centralized under state control or whether it would be better to incorporate some free market principals in education. He said there is a realization among even those in the education establishment as to whether public education is justified. He quoted from a Teacher of the Year who advocated institution of the free market system because "experts in education have always been wrong and their ideas are expensive and never work." After hearing the testimony, he said it was hard for him not to conclude that the motives of some of the individuals in education are "sub-servient." He said little was said by the opponents about quality education and comments were all directed toward maintaining centralized control by the education establishment.

REP. WELLS said he would support Rep. Jore's comments. He said he did not believe the students in school today are receiving the same quality of education that he had received. Parents are

HOUSE OF REPRESENTATIVES

Taxation

ROLL CALL

DATE 3/22/95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Chase Hibbard, Chairman	✓		
Rep. Marian Hanson, Vice Chairman, Majority	✓		
Rep. Bob Ream, Vice Chairman, Minority	✓		
Rep. Peggy Arnott	✓		
Rep. John Bohlinger			
Rep. Jim Elliott	✓		
Rep. Daniel Fuchs	✓		
Rep. Hal Harper	✓		
Rep. Rick Jore	✓		
Rep. Judy Rice Murdock	✓		
Rep. Tom Nelson	✓		
Rep. Scott Orr	✓		
Rep. Bob Raney	✓		
Rep. Sam Rose	✓		
Rep. Bill Ryan			
Rep. Roger Somerville	✓		
Rep. Robert Story	✓		
Rep. Emily Swanson	✓		
Rep. Jack Wells	✓		
Rep. Ken Wennemar	✓		



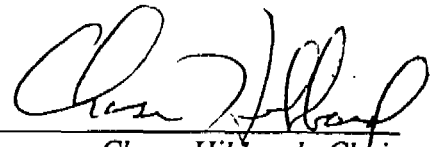
HOUSE STANDING COMMITTEE REPORT

March 22, 1995

Page 1 of 3

Mr. Speaker: We, the committee on Taxation report that House Bill 601 (first reading copy -- white) do pass as amended.

Signed: _____


Chase Hibbard, Chair

And, that such amendments read:

1. Title, line 6.

Following: "SECTIONS"

Insert: "15-50-101,"

Strike: "AND"

Insert: ", "

Following: "15-50-206,"

Insert: "AND 18-1-106,"

2. Page 1, line 12.

Insert: "Section 1. Section 15-50-101, MCA, is amended to read:

"15-50-101. ~~Definition~~ Definitions. As used in this chapter, the following definitions apply:

(1) "Department" means the department of revenue as provided in 2-15-1301.

(2) ~~In this chapter, for the purposes hereof, "gross~~ "Gross receipts" means all receipts from sources within the state, whether in the form of money, credits, or other valuable consideration, received from, engaging in, or conducting a business, without deduction on account of the cost of the property sold, the cost of the materials used, labor or service cost, interest paid, taxes, losses, or any other expense whatsoever. However, gross receipts ~~shall~~ does not include cash discounts allowed and taken on sales and sales refunds, either in cash or by credit, uncollectible accounts written off from time to time, or payments received in final liquidation of accounts included in the gross receipts of any previous return made by the

Committee Vote:

Yes 20, No 0.

661428SC.Hbk

person.

(3) (a) "Public contractor", means any person who submits a proposal to perform or enters into a contract for performing public construction work in the state with the federal government or state of Montana; with any board, commission, or department of the state; with any board of county commissioners, any city or town council, or any agency of any of them; or with any other public board, body, commission, or agency authorized to let or award contracts for any public work when the contract cost, value, or price of which exceeds the sum of \$5,000.

(b) The term public contractor includes subcontractors undertaking to perform work within their field of contracting and within the limits of their class of license covered by the original contract or any part of the contract when the contract cost, value, or price of which exceeds the sum of \$5,000."

Renumber: subsequent sections

3. Page 1, lines 21 through 29.

Strike: subsection (3) in its entirety

4. Page 2, line 20.

Insert: "NEW SECTION. Section 5. Inspection of books of contractor. The books and records of a public contractor must be subject to inspection by the department during reasonable hours.

NEW SECTION. Section 6. Estimation of tax upon failure to file statement or pay tax -- notice. (1) If a person fails, neglects, or refuses to file the statement required by 15-50-206 within the time required or fails to pay the tax required by this chapter on or before the date payment is due, the department shall proceed to inform itself as best it may regarding the total gross income of the person from its contracting business within this state during the quarter.

(2) The department shall compute the amount of license taxes due from the person and shall mail to the person a letter and tax assessment statement setting forth the amount of delinquent license tax, penalty, and interest due. The letter must advise that if payment is not made, a warrant for distraint may be filed.

NEW SECTION. Section 7. Penalty and interest for delinquency -- waiver. (1) License taxes due under this chapter become delinquent if not paid within 30 days after payment to the contractor. The department shall add to the amount of all delinquent license taxes a penalty of 10% of the amount of license taxes plus interest at the rate of 1% per month or fraction of a month, computed on the total amount of license taxes. Interest is computed from the date the license taxes were due to the date of payment.

(2) The 10% penalty may be waived by the department if reasonable cause for the failure or neglect to file the statement required by 15-50-206 or pay the tax due is provided to the department.

NEW SECTION. Section 8. Warrant for distraint. If all or part of the tax imposed by this chapter is not paid when due, the department may issue a warrant for distraint as provided in Title 15, chapter 1, part 7. The resulting lien has precedence over any claim, lien, or demand that is filed and recorded after the warrant is issued.

NEW SECTION. Section 9. Disposal of license taxes. License taxes collected under this chapter must be deposited by the department with the state treasurer, who shall credit them to the general fund of the state.

Section 10. Section 18-1-106, MCA, is amended to read:

"18-1-106. Department of commerce to determine residency of selected contractors -- applications for redetermination -- determination as prima facie evidence. (1) The department of commerce shall determine whether or not certain contractors, ~~issued public contractor's licenses under the provisions of Title 37, chapter 71,~~ are residents of the state of Montana within the meaning of 18-1-102 and 18-1-103. Any public agency charged by law with the responsibility for the execution of any contract subject to the provisions of 18-1-102 may request that a determination of resident/nonresident status be made by the department. All requests must specify the name and address of the licensed public contractor for whom a determination of resident/nonresident status is required.

(2) If a determination is made that a ~~licensed~~ public contractor is not a resident but ~~he~~ thereafter qualifies as ~~such a resident~~, he the contractor may apply to the department of commerce for a redetermination of ~~his~~ residency. If, upon redetermination, the ~~licensed~~ public contractor is found to qualify as a resident, he shall the contractor must be furnished a letter by the department attesting to such resident status.

(3) The determination of the department of commerce that a ~~licensed~~ public contractor is or is not a resident within the meaning of 18-1-102 and 18-1-103 is prima facie evidence of that fact."

NEW SECTION. Section 11. Codification instruction. [Sections 5 through 9] are intended to be codified as an integral part of Title 15, chapter 50, part 3, and the provisions of Title 15, chapter 50 apply to [sections 5 through 9]."
Renumber: subsequent sections.

-END-

HOUSE BILL 601
Repeal of the Public Contractors License

House Bill 601 proposes to repeal the Public Contractor's License. The license is associated with the Public Contractor's Tax. The Public Contractor's Tax is withheld (1%) from contractor payments (prime and subcontractor) and submitted to the Department of Revenue. The amount withheld is then used as a credit against income tax and as a refund of property tax paid by the contractor.

The license functions were moved to the Department of Commerce in 1983 and codified in Title 37. The Department of Revenue relies upon the licensing statutes in administering the tax. The following amendments incorporate those sections into Title 15, address current practice, and clarify the penalty for failing to remit withholdings.

Amendments

- | | |
|------------|--|
| 1, 2 and 3 | Conform the title of the bill with the amendments |
| 4 and 5 | Strike the amendment adding the definition of public contractor to 15-50-205 and adds that definition and others currently in Title 37 to 15-50-101 which is the definition section. |
| 6 | Strikes the reference to public contractor's license in 18-1-106. |
| 7 | New Section 5 incorporates the substance of 37-71-102 in 15-50 related to audit of contractor's records. |
| | New Section 6 reflects the current administration of the tax. We currently estimate tax due. |
| | New Section 7 provides for the assessment of penalty and interest for failing to remit the tax. 15-50-206 provides a penalty (10%) for the prime contractor who fails or timely fails to submit the allocation reports (directing the Department to allocate credits to subcontractors). |
| | New Section 8 reflects the current administration of the tax related to the filing of warrants for distraint. |
| | New Section 9 incorporates 37-71-105 in 15-50 directing the Department to deposit collections into the General Fund. (15-50-207 addresses income tax credits and refund of property taxes.) |
| | New Section 10 is the codification instruction. |

Amendments to House Bill 601
Introduction Reading Copy

Prepared by Department of Revenue
3/21/95 5:15pm

REASON FOR AMENDMENT: This amendment is designed to clarify the contractors gross receipts tax by incorporating the administrative provisions and definitions of Title 37, chapter 71 and the standard taxing provisions found in other chapters of Title 15.

AMENDMENTS

1. Title, line 6.
Following: "AMENDING SECTIONS"
Insert: "15-50-101,"

2. Title, line 6.
Following: "15-50-205"
Strike: "AND"
Insert: ", "

3. Title, line 6.
Following: "15-50-206,"
Insert: "AND 18-1-106,"

4. Page 1, line 21.
Strike: line 21 through line 29 in their entirety.

5. Page 2.
Following: line 19.
Insert: "Section 3. Section 15-50-101, MCA, is amended to read:
"15-50-101. Definition. The following words, terms and phrases in this chapter are defined as follows:

(1) "Department" means the department of revenue as provided in 2-15-1301.

(2) In this chapter, for the purposes hereof, "g Gross receipts" means all receipts from sources within the state, whether in the form of money, credits, or other valuable consideration, received from, engaging in, or conducting a business, without deduction on account of the cost of the property sold, the cost of the materials used, labor or service cost, interest paid, taxes, losses, or any other expense whatsoever. However, gross receipts shall not include cash discounts allowed and taken on sales and sales refunds, either in cash or by credit, uncollectible accounts written off from time to time, or payments received in final liquidation of accounts included in the gross receipts of any previous return made by the person.

(3) "Public contractor" means any person who submits a proposal to or enters into a contract for performing public

construction work in the state with the federal government or state of Montana, or with any board, commission, or department thereof, or with any board of county commissioners or any city or town council, or with any agency of any of them, or with any other public board, body, commission, or agency authorized to let or award contracts for any public work when the contract cost, value, or price thereof exceeds the sum of \$5,000.

(4) The term "public contractor" includes subcontractors undertaking to perform work within their field of contracting and within the limits of their class of license covered by the original contract or any part thereof, the contract cost, value, or price of which exceeds the sum of \$5,000."

6. Page 2.

Following: line 19.

Insert: "Section 4. Section 18-1-106, MCA, is amended to read:

"18-1-106. Department of commerce to determine residency of selected contractors -- applications for redetermination -- determination as prima facie evidence. (1) The department of commerce shall determine whether or not certain contractors, ~~issued public contractor's licenses under the provisions of Title 37, chapter 71,~~ are residents of the state of Montana within the meaning of 18-1-102 and 18-1-103. Any public agency charged by law with the responsibility for the execution of any contract subject to the provisions of 18-1-102 may request that a determination of resident/nonresident status be made by the department. All requests must specify the name and address of the licensed public contractor for whom a determination of resident/nonresident status is required.

(2) If a determination is made that a ~~licensed~~ public contractor is not a resident but he thereafter qualifies as such, he may apply to the department of commerce for a redetermination of his residency. If, upon redetermination, the ~~licensed~~ public contractor is found to qualify as a resident, he shall be furnished a letter by the department attesting to such status.

(3) The determination of the department of commerce that a ~~licensed~~ public contractor is or is not a resident within the meaning of 18-1-102 and 18-1-103 is prima facie evidence of that fact."

7. Page 2.

Following: line 19

Insert: "NEW SECTION. Section 5. Inspection of books of contractor. The books and records of a public contractor must be subject to inspection by the department during reasonable hours.

NEW SECTION. Section 6. Estimation of tax upon failure to file statement or pay tax -- notice. (1) If a person fails,

neglects, or refuses to file the statement required by 15-50-206 within the time required or fails to pay the tax required by this chapter on or before the date payment is due, the department of revenue shall proceed to inform itself as best it may regarding the total gross income of the person from its contracting business within this state during the quarter.

(2) The department shall compute the amount of license taxes due from the person and shall mail to the person a letter and tax assessment statement setting forth the amount of delinquent license tax, penalty, and interest due. The letter shall advise that if payment is not made, a warrant for distraint may be filed.

NEW SECTION. Section 7. Penalty and interest for delinquency -- waiver. (1) License taxes due under this chapter becomes delinquent if not paid within 60 days after the end of each calendar quarter. The department of revenue shall add to the amount of all delinquent license taxes a penalty of 10% of the amount of license taxes plus interest at the rate of 1% per month or fraction of a month, computed on the total amount of license taxes. Interest is computed from the date the license taxes were due to the date of payment.

(2) The 10% penalty may be waived by the department if reasonable cause for the failure or neglect to file the statement required by 15-50-206 or pay the tax due is provided to the department.

NEW SECTION. Section 8. Warrant for distraint. If all or part of the tax imposed by this chapter is not paid when due, the department may issue a warrant for distraint as provided in Title 15, chapter 1, part 7. The resulting lien has precedence over any claim, lien, or demand thereafter filed and recorded.

NEW SECTION. Section 9. Disposal of license taxes. License taxes collected under this chapter shall be deposited by the department with the state treasurer, who shall credit them to the general fund of the state.

NEW SECTION. Section 10. Codification instruction. [Sections 5 through 9] are intended to be codified as an integral part of Title 15, chapter 50, part 3, and the provisions of Title 15, chapter 50 apply to [sections 5 through 9]."

Renumber: subsequent sections.

March 22, 1995
Representative Chase Hibbard
House Taxation Committee

Mr. Chairman, Members of the Committee,

My name is Mark Lindsay and I am here representing the Montana Building Industry Association. I am also a general contractor here in Helena specializing in custom homes and light commercial projects.

The MBIA is an organization comprising nearly 1,000 building trade businesses from around the state of Montana. The MBIA is an industry leader in encouraging professional and responsible business and building principles.

The consumers of Montana have thought they had protection by hiring contractors who claim to be licensed with the State through this program when in fact there is absolutely no minimum qualifications and no enforcements and consequently no recourse. Conversations with the Dept. of Commerce here revealed that out of state contractors immediately apply for a public contractor's license and gladly pay the fee even though the type of work they are doing does not require any license at all. These contractors are using the system to legitimize their operation by being able to advertise that they are "licensed" by the state of Montana.

This license is unfair to the contractors of this state. Normally when a license is required for a particular industry the fees that are generated are earmarked and used exclusively for the benefit and control of that particular industry. Not only has the industry paid millions of dollars over the years for absolutely no service but the money has been deposited in the general fund.

I am sure most of you are aware of Senator Forrester's Senate Bill No. 354 which has passed the Senate and just yesterday was passed out of the House Business and Labor Committee. This bill requires that all contractors be registered with the Dept. of Labor. His bill addresses some of the concerns I have mentioned and attempts to get a handle on the construction industry in Montana. Many contractors would be required to purchase two licenses if the Public Contractors License is not repealed.

It is for these reasons that the Montana Building Industry Association requests that this committee support HB601 and repeal the Public Contractor's License Program.

EXHIBIT 12
DATE 3/22/95
HB 601

Amendments to House Bill No. 601
First Reading Copy

For the Committee on Taxation

Prepared by Lee Heiman
March 22, 1995

1. Title, line 6.
Following: "SECTIONS"
Insert: "15-50-101,"
Strike: "AND"
Insert: ", "
Following: "15-50-206,"
Insert: "AND 18-1-106,"

2. Page 1, line 12.
Insert: "Section 1. Section 15-50-101, MCA, is amended to read:
"15-50-101. ~~Definition~~ Definitions. As used in this
chapter, the following definitions apply:

(1) "Department" means the department of revenue as
provided in 2-15-1301.

(2) ~~In this chapter, for the purposes hereof, "gross~~
"Gross receipts" means all receipts from sources within the
state, whether in the form of money, credits, or other valuable
consideration, received from, engaging in, or conducting a
business, without deduction on account of the cost of the
property sold, the cost of the materials used, labor or service
cost, interest paid, taxes, losses, or any other expense
whatsoever. However, gross receipts ~~shall~~ does not include cash
discounts allowed and taken on sales and sales refunds, either in
cash or by credit, uncollectible accounts written off from time
to time, or payments received in final liquidation of accounts
included in the gross receipts of any previous return made by the
person.

(3) (a) "Public contractor", means any person who submits a
proposal to perform or enters into a contract for performing
public construction work in the state with the federal government
or state of Montana; with any board, commission, or department of
the state; with any board of county commissioners, any city or
town council, or any agency of any of them; or with any other
public board, body, commission, or agency authorized to let or
award contracts for any public work when the contract cost,
value, or price of which exceeds the sum of \$5,000.

(b) The term public contractor includes subcontractors
undertaking to perform work within their field of contracting and
within the limits of their class of license covered by the
original contract or any part of the contract when the contract
cost, value, or price of which exceeds the sum of \$5,000."

Renumber: subsequent sections

3. Page 1, lines 21 through 29.
Strike: subsection (3) in its entirety

Insert: "NEW SECTION. Section 5. Inspection of books of contractor. The books and records of a public contractor must be subject to inspection by the department during reasonable hours.

NEW SECTION. Section 6. Estimation of tax upon failure to file statement or pay tax -- notice. (1) If a person fails, neglects, or refuses to file the statement required by 15-50-206 within the time required or fails to pay the tax required by this chapter on or before the date payment is due, the department shall proceed to inform itself as best it may regarding the total gross income of the person from its contracting business within this state during the quarter.

(2) The department shall compute the amount of license taxes due from the person and shall mail to the person a letter and tax assessment statement setting forth the amount of delinquent license tax, penalty, and interest due. The letter must advise that if payment is not made, a warrant for distraint may be filed.

NEW SECTION. Section 7. Penalty and interest for delinquency -- waiver. (1) License taxes due under this chapter become delinquent if not paid within 30 days after payment to the contractor. The department shall add to the amount of all delinquent license taxes a penalty of 10% of the amount of license taxes plus interest at the rate of 1% per month or fraction of a month, computed on the total amount of license taxes. Interest is computed from the date the license taxes were due to the date of payment.

(2) The 10% penalty may be waived by the department if reasonable cause for the failure or neglect to file the statement required by 15-50-206 or pay the tax due is provided to the department.

NEW SECTION. Section 8. Warrant for distraint. If all or part of the tax imposed by this chapter is not paid when due, the department may issue a warrant for distraint as provided in Title 15, chapter 1, part 7. The resulting lien has precedence over any claim, lien, or demand that is filed and recorded after the warrant is issued.

NEW SECTION. Section 9. Disposal of license taxes. License taxes collected under this chapter must be deposited by the department with the state treasurer, who shall credit them to the general fund of the state.

Section 10. Section 18-1-106, MCA, is amended to read:

"18-1-106. Department of commerce to determine residency of selected contractors -- applications for redetermination -- determination as prima facie evidence. (1) The department of commerce shall determine whether or not certain contractors, ~~issued public contractor's licenses under the provisions of Title 37, chapter 71,~~ are residents of the state of Montana within the meaning of 18-1-102 and 18-1-103. Any public agency charged by law with the responsibility for the execution of any contract subject to the provisions of 18-1-102 may request that a determination of resident/nonresident status be made by the department. All requests must specify the name and address of the licensed public contractor for whom a determination of resident/nonresident status is required.

(2) If a determination is made that a ~~licensed~~ public contractor is not a resident but ~~he~~ thereafter qualifies as ~~such~~ a resident, ~~he~~ the contractor may apply to the department of commerce for a redetermination of ~~his~~ residency. If, upon redetermination, the ~~licensed~~ public contractor is found to qualify as a resident, ~~he shall~~ the contractor must be furnished a letter by the department attesting to ~~such~~ resident status.

(3) The determination of the department of commerce that a ~~licensed~~ public contractor is or is not a resident within the meaning of 18-1-102 and 18-1-103 is prima facie evidence of that fact."

NEW SECTION. Section 11. Codification instruction.

[Sections 5 through 9] are intended to be codified as an integral part of Title 15, chapter 50, part 3, and the provisions of Title 15, chapter 50 apply to [sections 5 through 9]."

Renumber: subsequent sections.

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Taxation COMMITTEE BILL NO. HB 601
 DATE 3/22/95 SPONSOR(S) Rep. Somerville

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
<u>Jeff Miller</u>	<u>DOR</u> <u>opponent</u>			
<u>W. James Kembel</u>	<u>Self</u>	<u>HB 601</u>		<u>✓</u>
<u>Mark Lindsay</u>	<u>MT Building Ind. Assoc</u>			<u>✓</u>
<u>LANCE MELTON</u>	<u>DEPT OF COMMERCE</u>			<u>X</u>
<u>Don Boef</u>	<u>Boat Coast</u>			<u>X</u>
<u>Carl Schoc. 12m</u>	<u>Mont Cont As'n</u>			<u>X</u>
<u>Chris Racicot</u>	<u>Mont Home Bldg In</u>			<u>✓</u>

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
 ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

allocation. He acknowledged money has been diverted from the trust, however, the director stated it has been ruled Constitutional because the money is being used for the things the trust was set up for.

HEARING ON HB 601

Opening Statement by Sponsor:

REP. ROGER SOMERVILLE, HD 78, Lakeside, stated the intent of this bill is to repeal a 1935 act which established the public contractor's license program. He said it is a worthless program. He explained there are no minimum qualifications presently. REP. SOMERVILLE voiced concern the program lets the public think there are standards and there are no standards or protection to the public.

Proponents' Testimony:

Christopher J. Racicot, Executive Director, Montana Building Industry Association, presented written testimony. EXHIBIT 32. Mr. Racicot submitted a summary of licensed programs. EXHIBIT 33.

W. James Kembel attested this is a worthless program. He urged support for this legislation.

Carl Schweitzer, Montana Contractors Association, proclaimed support for HB 601.

Steve Maloy, Chief of the Licensing Bureau, Department of Commerce, said the program was worthless because the program was never funded. He stated there was money collected but it was deposited into the General Fund. He declared there isn't a need for this program.

Char Maherg, Department of Revenue, presented an amendment. EXHIBIT 34.

Opponents' Testimony:

None

Informational Testimony:

None

Questions From Committee Members and Responses:

REP. FOSTER commented this has been in effect since 1935. He stated people knew this was a worthless program and nothing was done. He asked Mr. Maloy why he didn't tell the legislature many years ago to get rid of this program in order to save taxpayers some dollars. Mr. Maloy said up until the mid-80's it wasn't a

worthless program because it was doing exactly what it was designed to do, raise revenue for the General Fund. He declared the program was moved to the Building Codes Division in the mid-80's, however, there was no appropriations.

SEN. HARP asked Mr. Racicot about how much revenue SEN. FORRESTER'S SB 354 will generate. Mr. Racicot answered the fee is a maximum of \$80.00 per contractor, per year. He said there is estimates of between 5,000 and 8,000 contractors. SEN. HARP commented if SEN. FORRESTER'S bill passes where is the money earmarked to go. Mr. Racicot stated it is going to a special revenue account allocated only to this program. He said 15% of the fee will go towards education of the public about contractors.

Closing by Sponsor:

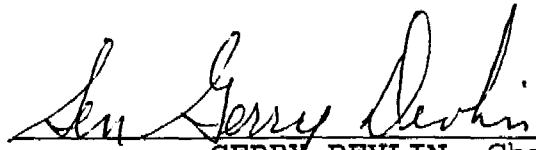
REP. SOMERVILLE commented the fiscal note indicates there will be a shortfall the first year of \$41,000.00 and the second year a shortfall of \$77,000.00 with an estimated \$50.00 fee. He explained the fee has been raised to \$80.00. He stated SB 354 will help get a handle on contractor activity in the state.

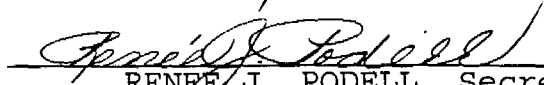
EXECUTIVE ACTION ON HB 562

Motion/Vote: SEN. FOSTER MOVED HB 562 BE CONCURRED IN. MOTION CARRIED UNANIMOUSLY.

ADJOURNMENT

Adjournment: 10:18 a.m.


GERRY DEVLIN, Chairman


RENEE J. PODELL, Secretary

GD/rp

**MONTANA SENATE
1995 LEGISLATURE
TAXATION COMMITTEE**

ROLL CALL

DATE _____

April 3, 1995

[illegible]

SEN:1995

wp.rollcall.man

CS-09

SENATE TAXATION

DATE April 3, 1995

EXHIBIT NO. 32

BILL NO. HB 601

April 3, 1995

Senator Gerry Devlin
Senate Taxation Committee
Montana State Legislature
Helena, Montana 59620

Re: HB 601 - Repeal of Public Contractors License Program

Dear Senator Devlin and Committee Members:

The Montana Building Industry Association is an organization of nearly 1,000 small building trade businesses from the around the state of Montana. The MBIA is the home-building leader in encouraging responsible business, planning and building standards. The members of the MBIA are also the individuals who constantly try to work within the framework of the regulations imposed on industry.

It is for these reasons the MBIA has initiated the effort behind HB 601. Further, it is for these reasons and the following reasons that the MBIA requests that the House Tax Committee encourage Montana's Legislature to abolish the Public Contractors License Program. The following is a brief explanation about the Public Contractors Program to date.

For 60 years the public and the construction industry have been lead into believing that they were protected through a program known as the Public Contractors Licensing Program.

The consumers of Montana have thought they had protection by hiring contractors who claim to be licensed with the State through this program when in-fact there is absolutely no minimum qualifications and no enforcements and consequently no recourse. The industry has been mislead similarly yet has had to divvy up millions of dollars in addition to receiving no services.

- Program initiated in 1935
- Estimated Montana State General Fund contribution to date - \$45,000,000 to \$50,000,000
- No minimum qualifications to become a public contractor
- No enforcement or disciplinary capabilities with program
- No consumer protection with program
- No construction industry services provided from program
- 2 Revenue Sources
 - (1) Annual Fees estimate \$250,000
 - (2) Annual Gross Receipts Tax estimate \$1,000,000

With this bill, all portions of this program except the Gross Receipts Tax revenue section will be repealed. This again, would be done for those reasons outlined above and one additional reason. Senator Gary Forrester has introduced SB 354, a contractors registration bill, that would take the place of this program and provide many more protections to the consumer, the construction industry and the State of Montana.

Further, without eliminating this first program, contractors will have to be registered with both the Department of Labor and Industry and the Department of Commerce, pay two fees - one of which is merely an excise tax and continue to be taxed unfairly.

Please give your favorable consideration to HB 601.

Sincerely,

Christopher J Racicot
Executive Director, MBIA

Enclosures

PUBLIC CONTRACTORS

PROGRAMS & SERVICES PROVIDED
FOR BOARDS IN POL FUNDED
BY LICENSE FEESPROGRAMS & SERVICES HB 601
PROVIDED FOR PUBLIC CON-
TRACTORS FUNDED BY LICENSE
FEES

1. Evaluating Qualifications
2. Examining Applicants
3. Issuing Licenses
4. Issuing Licenses by Reciprocity
5. Mandating Continuing Education
6. Monitoring Continuing Education
7. Implementing Impairment Programs
8. Conducting Peer Reviews
9. Processing Complaints
10. Filing Injunctions for Non-Licensed Practice
11. Conducting Investigations
12. Imposing License Sanctions
13. Monitoring Compliance
14. Implementing Rule Changes
15. Conducting Administrative Hearings
16. Processing Renewals

1. Issuing Licenses
2. Processing Renewals

SENATE TAXATION

DATE April 3, 1995

Amendments to House Bill No. 601
Second Reading Copy

EXHIBIT NO. 34

BILL NO. HB 601

For the Committee on Taxation

Prepared by Lee Heiman
March 24, 1995

Technical amendment to correct erroneous internal reference:

1. Page 3, line 2.
Strike: "15-50-205"
Insert: "15-50-101"

DATE

April 3, 1995

SENATE COMMITTEE ON

Taxation

BILLS BEING HEARD TODAY:

HB 569 Rep. Orr
 HB 589 Rep. Hardy HB 598 Hibbard
 HB 601 Somerville

< ■ >

PLEASE PRINT

< ■ >

Check One

Name	Representing	Bill No.	Support	Oppose
W.C. Rhodes	Elba	589	✓	
John Wright	✓	✓	✓	
Robert F. Goette	✓	589	✓	
CHUCK KRAWE	BUTTE SILVER BOW	598	✓	
Jack Gunderson	Elba	589	✓	
Bruce Kuchling	MSU - Northern	569	✓	
Paul Stahl	Lew. Co. Cnty.	598	✓	
James D. Saffin	Mont. Land Title Assn	598		✓
Robert L. Rosenthal	Helena A. Elba	589	2	
LANCE MELTON	DEPT. OF COMMERCE	601	X	
Debbie Jurcich	Dpt of Revenue	598	X	
W James Kembel	Self	601	X	
Glenn Klemm	Security Title Co	598		✓
Larry Allen	D.O.R.	598	X	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE 4/3/95

SENATE COMMITTEE ON Taxation

BILLS BEING HEARD TODAY: _____

< ■ > PLEASE PRINT < ■ >

Check One

Name	Representing	Bill No.	Support	Oppose
MARK Simonich	DNRC	HB 569	X	
SCOTT ORR	HD 82	HB 569	X	
Th. Knutson	HB 589	589		
William McRae	Alum Elka	589	X	
Francis Doplowski	✓	✓	✓	
Denny Wilhelms	✓	✓	✓	
David M Hartnett	" "	589	✓	
Cris Piciot	MT. Building Industry Assn	601	*	
Carl Schmitzer	MT. Contractors Assn	601	✓	
Chas Maharg	DOR	601		
Bob Williams	MT MINE ASSOC	569		✓

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

this particular Elks Club was hit and they have been fighting with the DOR ever since. He acknowledged now the DOR says they are neutral on this bill because of the magnitude of the dollars involved. He encouraged help for the Elks Club.

SEN. ECK said every other Elks Club which serves alcohol pays taxes. She asked if there is a good reason why this particular Elks Club shouldn't pay a tax.

SEN. FOSTER stated he asked the question to the Elks Club. He acknowledged a non-profit organization pays taxes. He explained this particular Elks Club disclosed they didn't pay taxes in the past.

SEN. COLE asked SEN. FOSTER if this bill is opening up a big hole especially with ski resorts. SEN. FOSTER said the ski resorts aren't in this yet due to the DOR reviewing the issue. He stated he can't say if it opens up a hole, however, he is concerned with it.

SEN. GAGE said there isn't a lot of Elks Clubs or other organizations who occupy a building owned by a public entity.

Motion/Vote: SEN. HARP MADE A SUBSTITUTE MOTION TO TABLE HB 589. MOTION CARRIED 5 - 2 WITH SEN. FOSTER AND SEN. VAN VALKENBURG VOTING IN OPPOSITION TO THE MOTION.

EXECUTIVE ACTION ON HB 569

Discussion: SEN. FOSTER commented he would like to review the amendments and the bill itself.

SEN. GROSFIELD said SB 746 has been signed by the Governor and he didn't think the committee could amend a bill that has been signed by the Governor. Mr. Martin said one section would be codified with the rate that is contained in HB 569.

EXECUTIVE ACTION ON HB 601

Discussion: CHAIRMAN DEVLIN stated this bill has a fiscal bang to it.

SEN. HARP commented it has a \$¼ million bang.

CHAIRMAN DEVLIN stated this is a license tax and goes to the General Fund.

Motion/Vote: SEN. ECK MOVED THE TECHNICAL AMENDMENT ON PAGE 3, LINE 2 MAKING IT CONSISTENT WITH THE REST OF THE BILL. MOTION CARRIED UNANIMOUSLY.

Motion: SEN. FOSTER MOVED HB 601 BE CONCURRED IN AS AMENDED.

April 4, 1995

Page 5 of 5

{Tape: 1; Side: B; Comments: Turn Tape.}

Discussion: SEN. HARP stated SEN. FORRESTER'S bill will do something for the contractors.

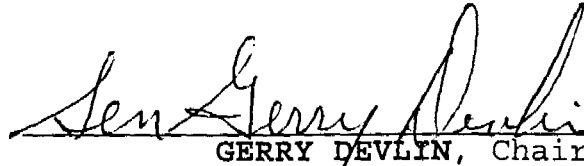
SEN. COLE said if this bill isn't repealed the contractors will pay \$25.00 plus \$80.00.

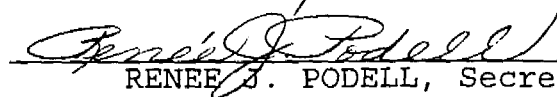
SEN. HARP stated this bill is a license tax. He acknowledged SEN. FORRESTER'S bill is a new source of revenue that would be paid by the contractors for the actual internal use for the Contractor's Association.

Motion: SEN. COLE MADE A SUBSTITUTE MOTION TO TABLE HB 601. MOTION CARRIED 6 - 2 WITH SEN. VAN VALKENBURG AND SEN. HARP VOTING IN OPPOSITION TO THE MOTION.

ADJOURNMENT

Adjournment: 9:20 a.m.


GERRY DEVLIN, Chairman


RENEE J. PODELL, Secretary

GD/rp